IEMA Corporate Partners
Policy Update

Martin Baxter

Deputy CEO

m.baxter@iema.net

@mbaxteriema

IEMA Transforming the world to sustainability

Overview

1. New government priorities

2. Net Zero

3. Climate Adaptation

4. Reporting & Disclosure

5. Environment Act

6. Public Procurement

7. Skills

8. UK Net Zero Business Census

9. IEMA's Green Skills at COP Campaign

IEMA Transforming the world to sustainability

New Government Priorities

...it's early days!

IEMA Transforming the world to sustainability

Net Zero

Net Zero 2030 Power System target

Great British Energy

Mission Control

"Successful" renewables auction, with 131 clean energy projects securing contracts

Supreme Court Judgement

Widespread implications for fossil fuel dependent development projects

IEMA Transforming the world to sustainability

About   Profession   Join   Learn   Engage

Landmark climate impact ruling for fossil fuel projects, cites IEMA guidance

A Supreme Court ruling that a local council should have considered the full climate impact when issuing a new oil extraction licence – by following "easily performed" guidance from the Institute of Environmental Management and Assessment – could have implications for future fossil fuel extraction in the UK.

Surrey County Council only considered local environmental impacts and direct emissions from the oil well, when deciding whether to grant development consent for oil extraction at Horse Hill in Surrey.

But the Supreme Court has found downstream emissions – such as oil combustion – should have been considered in the Environmental Impact Assessment.

While this precedent for taking downstream emissions into account does not stop new oil drilling, it is something companies will have to consider when looking at new projects and decision-makers take into account.

Martin Baxter, deputy CEO at the Institute of Environmental Management & Assessment, said:

"This is massive news, and has potentially big implications. In effect, the Supreme Court has reinterpreted which legal considerations must be taken into account from an environmental perspective when deciding whether to **grant development consent for fossil fuel extraction licences** – including the indirect effects downstream – highlighting guidance by the Institute of Environmental Management and Assessment that *'could easily have been performed.'*"

One of the authors of IEMA's Greenhouse Gas Emissions Guidance, James Blake, Director and Head of Sustainability and ESG at Turley, said: "It is fantastic to see this positive ruling which should significantly enhance the contribution of Environmental Impact Assessments in tackling the climate emergency by ensuring a more complete assessment of a project's Greenhouse Gas effects."

Other Key Policy Issues on the Net Zero Transition

1. Appointment of a new chair for the Climate Change Committee
   - Net zero transition
   - Climate change adaptation

2. UK's 2035 Nationally Determined Contribution
   - The next round of NDCs setting targets for 2035 are **due to be communicated to UNFCCC between November 2024 and February 2025**
   - Will UK raise its ambition beyond 6th Carbon Budget?

3. 7th Carbon Budget
   - CCC will advise on 7th Carbon budget in early 2025
   - Expect more Parliamentary and public scrutiny on the implications

4. National Net Zero Plan
   - Government remains under court order to produce a credible plan for 6th Carbon Budget
   - Will also need a plan when 7th Carbon Budget set

5. UK/EU ETS
   - New sectors (Waste and Maritime Transport) – and considering GHG removals
   - Divergence or alignment

Public Procurement

Carbon reduction standard terms and conditions to support contract-specific decarbonisation objectives

Cabinet Office

Procurement Policy Note: Carbon Reduction Contract Schedule

Action Note 01/24   March 2024

Issue

1.   In 2019, the UK Government amended the Climate Change Act 2008 by introducing a target of at least a 100% reduction in the net UK territorial carbon account by 2050. This is otherwise known as the 'Net Zero' target. As environmental and GHG emissions considerations feature in the aspects of delivery of most public contracts, there are opportunities for Contracting Authorities to take steps to support the Net Zero commitment and reduce GHG emissions through public procurement.

2.   Cabinet Office has developed a standard Carbon Reduction Contract Schedule which contains standard Terms and Conditions (T&Cs) that are intended to be considered alongside broader sustainability obligations and included, where relevant to the subject matter and proportionate, in Government contracts.

Dissemination and Scope

3.   The contents of this Procurement Policy Note (PPN) apply to all Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies, and are referred to in this PPN as 'In-Scope Organisations'.

4.   Please circulate this PPN within your organisation, particularly to those with a commercial, procurement and/or contract management role.

5.   Other public sector contracting authorities may wish to apply the approach set out in this PPN.

Timing

6.   In-scope Organisations can apply the provisions of this PPN with immediate effect.

Action

7.   The Carbon Reduction Schedule published alongside this PPN provides standard T&Cs to support contract specific decarbonisation objectives to be set and delivered, and provides a framework to monitor and assess the Supplier's decarbonisation performance. These include contract specific GHG emissions reporting, setting supplier GHG emissions reduction targets and monitoring and reducing GHG emissions throughout the life of the contract though a supplier GHG emissions Reduction Plan.

# Climate Change Adaptation and Resilience

NAP3 Implementation

"...the gap between the level of risk we face and the level of adaptation underway has widened. Adaptation action has failed to keep pace with the worsening reality of climate risk."

Independent Assessment of UK Climate Risk - Climate Change Committee (theccc.org.uk)

IEMA Transforming the world to sustainability

Sustainability Disclosure Standards
...what next
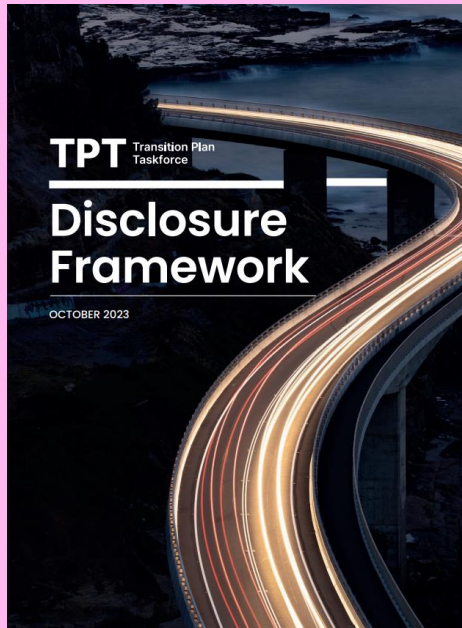
- UK Sustainability Disclosure Standards (SDS) will set out corporate disclosures on the sustainability-related risks and opportunities that companies face.

- They will form the basis of any future requirements in UK legislation or regulation for companies to report on risks and opportunities relating to sustainability matters, including risks and opportunities arising from climate change.

- UK SDS will be based on the IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).

- The Secretary of State for Business and Trade will consider the endorsement of the IFRS Sustainability Disclosure Standards, to create UK SDS by July 2024.

- UK endorsed standards will only divert from the global baseline if absolutely necessary for UK specific matters.

Plus

- CSRD (FY2024), EFRAG Standards

- UK to introduce bill to regulate ESG rating agencies

EU Greenwashing Directive

Note: Government powersto regulate under Schedules 6 & 7 of the Environment Act

DIRECTIVE (EU) 2024/825 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 28 February 2024 amending Directives 2005/29/EC and 2011/83/EU as regards:

"empowering consumers for the green transition through better protection against unfair practices and through better information"

Greenwashing Directive – overall aim

Aim is to tackle unfair commercial practices that mislead consumers and prevent them from making sustainable consumption choices, such as:

- practices associated with the early obsolescence of goods

- misleading environmental claims ('greenwashing')

- misleading information about the social characteristics of products or traders' businesses, or

- non-transparent and non-credible sustainability labels.

Significant tightening of claims

Environmental claims, in particular **climate-related** claims, increasingly relate to **future performance** in the form of a **transition to carbon or climate neutrality**, or a similar objective, by a certain date. Through such claims, traders create the impression that consumers contribute to a low-carbon economy by purchasing their products. To ensure the fairness and credibility of such claims, Article 6(2) of Directive 2005/29/EC **should be amended to prohibit such claims**, following a case-by-case assessment, **where they are not supported by clear, objective, publicly available and verifiable commitments and targets given by the trader and set out in a detailed and realistic implementation plan** that shows **how those commitments and targets will be achieved** and that **allocates resources** to that end.

Significant tightening of claims

1. Relevance - banning adverts to consumers that are irrelevant and not directly related to any feature of that specific product or business

2. Labels – only approved labels to be able to be used on products – must be underpinned by accredited conformity assessment to EN ISO 14024 ecolabelling schemes

3. Product Carbon Claims: prohibits the making of claims, based on the offsetting of greenhouse gas emissions, that a product, either a good or service has a neutral, reduced, or positive impact on the environment in terms of greenhouse gas emissions

.

Environment Act

IEMA
Transforming the world
to sustainability

Environmental Improvement Plan 2023

Our apex goal

Goal 1:
Thriving plants and wildlife

Improving environmental quality

Goal 2:
Clean air

Goal 3:
Clean and plentiful water

Goal 4:
Managing exposure to chemicals and pesticides

Improving our use of resources

Goal 5:
Maximise our resources, minimise our waste

Goal 6:
Using resources from nature sustainably

Improving our mitigation of climate change

Goal 7:
Mitigating and adapting to climate change

Goal 8:
Reduced risk of harm from environmental hazards

Improving our biosecurity

Goal 9:
Enhancing biosecurity

Goal 10:
Enhanced beauty, heritage, and engagement with the natural environment

IEMA
Transforming the world to sustainability

Concern over lack of progress

The OEP's assessment of 40 individual environmental targets, including legally binding targets set under the Environment Act 2021, found:

- on track to achieve 4,

- partially on track to achieve 11

- largely off track to achieve 10

- it was not possible to assess progress against a further 15 targets due to a lack of sufficient evidence.
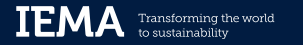

Progress in improving the natural environment in England 2022/2023

January 2024

UK Net Zero Business Census

Objective: To assess net zero measures being implemented by organisations as a benchmark for UK industry progress.
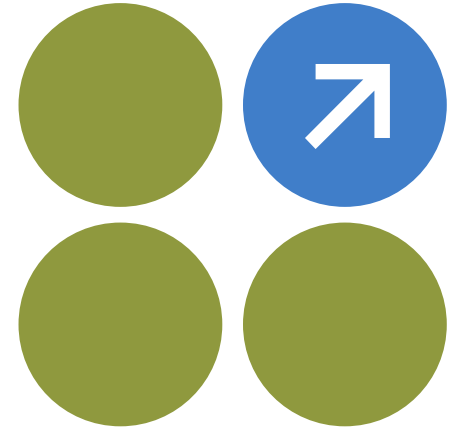
How: Create a coalition of major business associations, large corporates and media outlets who all commit to circulating a single survey so that we can gather one huge national dataset.

https://businessclimatehub.uk/

UK BUSINESS CLIMATE HUB

IN PARTNERSHIP WITH

PlanetMark

Partners of the UK Net Zero Business Census

UK BUSINESS CLIMATE HUB

PlanetMark

Broadway INITIATIVE

British Chambers of Commerce

CBI

IEMA Transforming the world to sustainability

IoD

MAKEuk The Manufacturers' Organisation

ace

AD NET ZERO ALL FOR NONE

ADVERTISING ASSOCIATION

ARL Elevating Rental Living

Bankers for NetZero

BARCLAYS

BiCSc THE BRITISH INSTITUTE OF CLEANING SCIENCE

bpma british promotional merchandise association

British Business Bank

BRC

bsi

BT

Clear Channel

CLG UK

Climate Action

CLIMATE ACTION FOR ASSOCIATIONS.

COMMERCIAL INTERIORS UK

COLD CHAIN FEDERATION

East Lancashire Chamber of Commerce

eic

electricity north west

esa environmental services association

fdf food & drink federation

Garden Centre Association

HBF HOME BUILDERS FEDERATION

HEART OF THE CITY

HSBC UK

INNOVATION ZERO

ISOQAR Alcumus

LAWNET

LLOYDS BANK

LOFA

LONDON & PARTNERS

nationalgrid Electricity Distribution

NatWest

NORTHERN POWERGRID

octopus energy

REA

RC RESET CONNECT

SafeContractor Alcumus

Sage

scotch whisky association

SMALL BUSINESS BRITAIN

SME Climate Hub

techUK

UKH UKHOSPITALITY

UK Power Networks Delivering your electricity

Water UK

https://businessclimatehub.uk/

Key Findings: Net Zero is a strategic priority

1
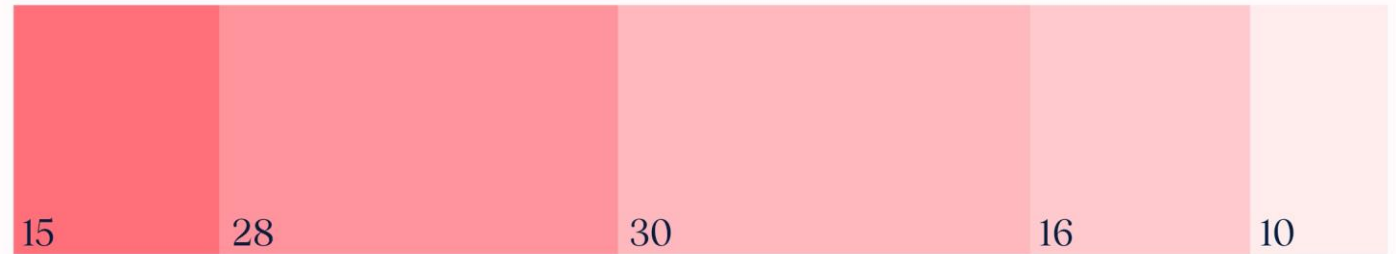
Net zero is a strategic priority:

- 73% of respondents say net zero is a medium (30%), high (28%) or very high priority (15%) for their business strategy within the next 12 months.

- Meanwhile, 80% are also prioritising wider sustainability goals. These efforts are deemed to benefit organisations, with 90% anticipating a positive impact on public perception and reputation, 88% expecting a benefit to gaining new customers, and 85% foreseeing benefits in meeting regulatory compliance.
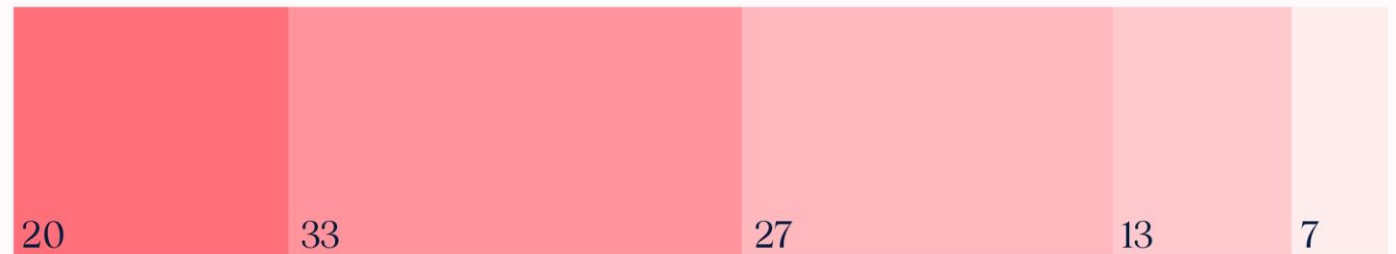
KEY

- ● Very high priority
- ● High priority
- ● Medium priority
- ● Low priority
- ● Very low priority

Prioritisation of net zero and sustainability in the next 12 months

Working towards achieving net zero (%)

| 15 | 28 | 30 | 16 | 10 |

Working towards achieving wider sustainability goals (%)

| 20 | 33 | 27 | 13 | 7 |

IEMA — Transforming the world to sustainability

https://businessclimatehub.uk/

Key Findings: Measurement and Carbon Reduction Plans

2

Carbon reduction plans are working:

- 57% of respondents have developed a plan to reduce carbon emissions.

- 39% report having already achieved measurable reductions.

- A further 24% of organisations intend to develop carbon reduction plans within the next 12 months and 34% intend to achieve measurable reductions in their carbon footprint during the same period.

3

Organisations are increasingly measuring their emissions:

Advance educational support to enhance staff understanding of net zero goals through regular training and development programs, leveraging the critical role of sustainability professionals highlighted in the findings. This is likely to also enhance staff engagement.

KEY

- ● Have done
- ● Not done but plan to within 12 months
- ● Not done but plan to within 5 years
- ● Have no current plans to do this
- ○ Not applicable for our organisation

Carbon emissions measurements, plans and reductions*

Achieve measurable reductions in our carbon footprint (%)*

| 39 | 34 | 18 | 7 | 3 |

Develop a plan to reduce carbon emissions (%)*

| 57 | 24 | 11 | 5 | 2 |

Measure our full baseline carbon footprint (Scope 1, 2 and 3) (%)

| 33 | 36 | 19 | 8 | 4 |

Measure a partial baseline carbon footprint (%)

| 45 | 32 | 12 | 7 | 4 |

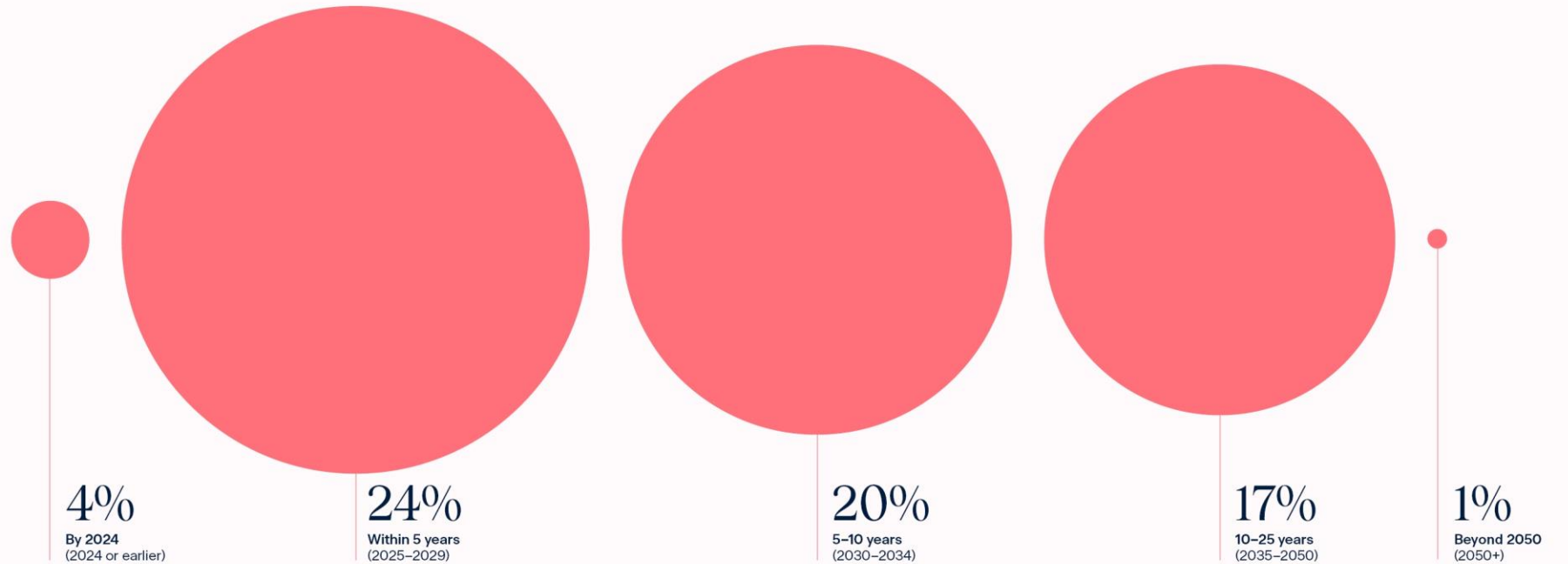IEMA — Transforming the world to sustainability
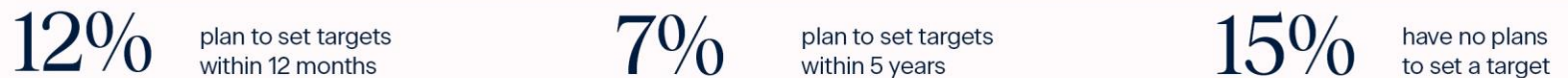
https://businessclimatehub.uk/
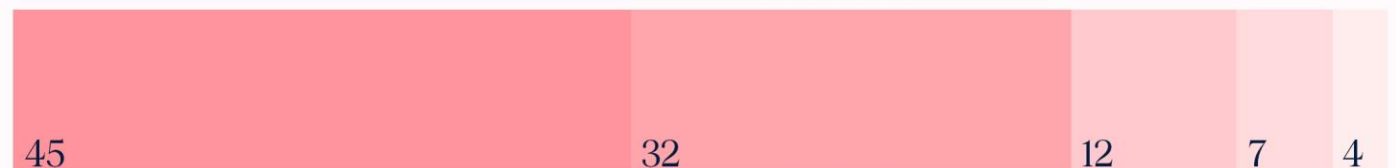
Key Findings: Net Zero Targets

4

Ambitious net zero targets are being set within the next decade:

- 48% of respondents have set net zero target dates before 2035, with 28% intending to achieve net zero before 2030.

- Though there are some signs in the data that particularly non-sustainability professionals may not fully grasp the implications of net zero, leading to setting unrealistic targets.

- See Key Finding #7 and Section 6 for a deeper look at this trend.

Reported net zero target year

4%	24%	20%	17%	1%
By 2024 (2024 or earlier)	Within 5 years (2025–2029)	5–10 years (2030–2034)	10–25 years (2035–2050)	Beyond 2050 (2050+)

34% of respondents currently have no net zero target, including:

12%	plan to set targets within 12 months	7%	plan to set targets within 5 years	15%	have no plans to set a target

IEMA — Transforming the world to sustainability

https://businessclimatehub.uk/

Key Findings: Requirements are cascading through supply chain

5

Requirements to measure/report carbon data are cascading through supply chains:

- 46% of respondents reported receiving customer or tender applications that required carbon footprint data in the last 12 months.

- This included 37% of SME respondents who fall outside of regulatory requirements like SECR to report carbon emissions, demonstrating that requirements to measure carbon emissions are cascading down through supply chains to affect SMEs.
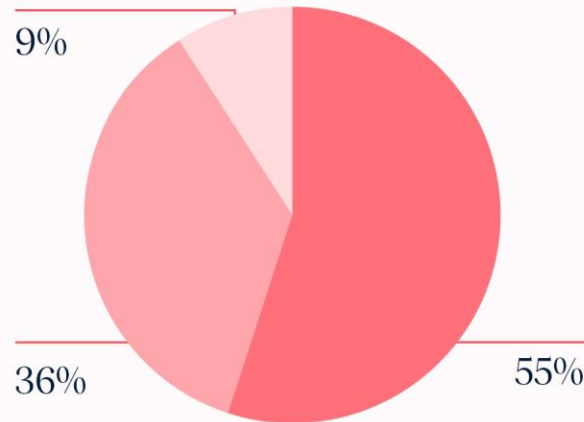
Percentage who have received requests for carbon data per sector

64%	IT/ communication	**50%**	Utilities
54%	Transport/ logistics/ storage	**49%**	Professional/ scientific
51%	Construction	**49%**	Finance/ insurance
51%	Manufacturing		

KEY

- 🔴 Yes
- 🔴 No
- 🔴 Don't know

Large organisations

9%

36%

55%

SME respondents

6%

57%
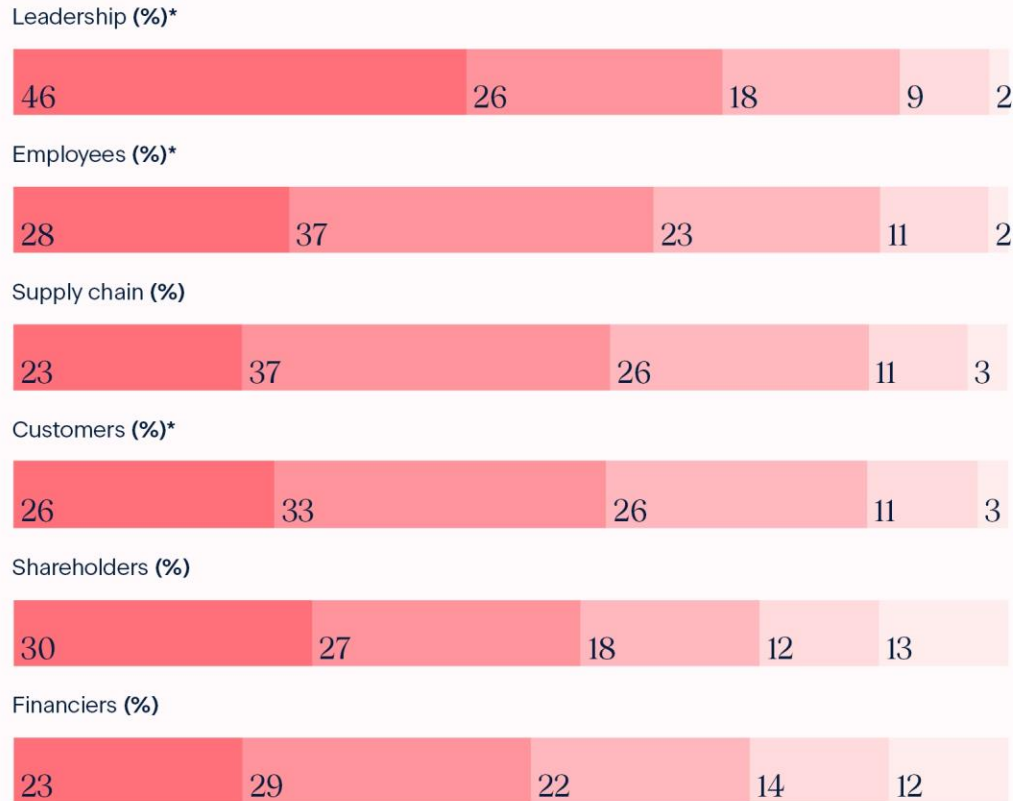
37%

https://businessclimatehub.uk/
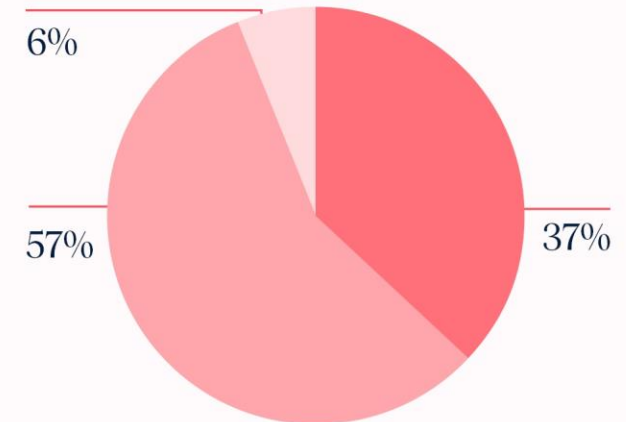
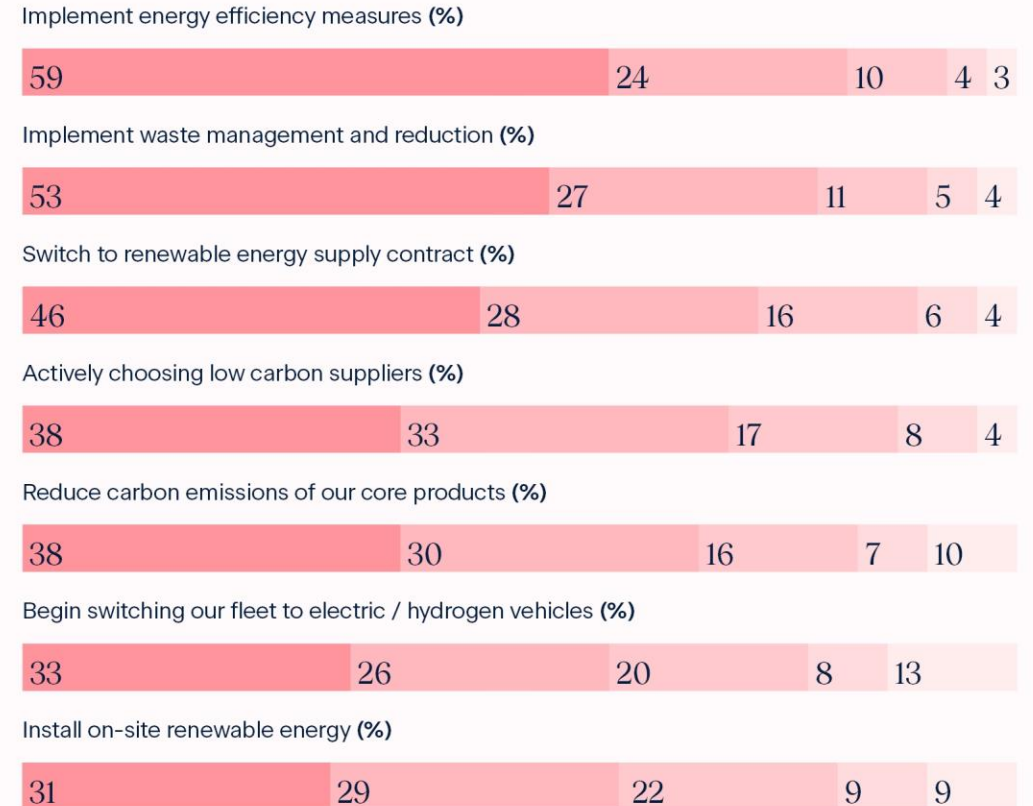# Key Findings: Stakeholder Engagement and Actions

KEY

- 🔴 High engagement
- 🔴 Medium engagement
- 🔴 Low engagement
- ⚪ No engagement
- ⚪ Not applicable

Stakeholder engagement in net zero*

Leadership (%)*

| 46 | 26 | 18 | 9 | 2 |

Employees (%)*

| 28 | 37 | 23 | 11 | 2 |

Supply chain (%)

| 23 | 37 | 26 | 11 | 3 |

Customers (%)*

| 26 | 33 | 26 | 11 | 3 |

Shareholders (%)

| 30 | 27 | 18 | 12 | 13 |

Financiers (%)

| 23 | 29 | 22 | 14 | 12 |

*Some percentages may not total exactly 100% due to rounding effects

Actions to reduce carbon emissions

Implement energy efficiency measures (%)

| 59 | 24 | 10 | 4 | 3 |

Implement waste management and reduction (%)

| 53 | 27 | 11 | 5 | 4 |

Switch to renewable energy supply contract (%)

| 46 | 28 | 16 | 6 | 4 |

Actively choosing low carbon suppliers (%)

| 38 | 33 | 17 | 8 | 4 |

Reduce carbon emissions of our core products (%)

| 38 | 30 | 16 | 7 | 10 |

Begin switching our fleet to electric / hydrogen vehicles (%)

| 33 | 26 | 20 | 8 | 13 |

Install on-site renewable energy (%)

| 31 | 29 | 22 | 9 | 9 |

IEMA Transforming the world to sustainability

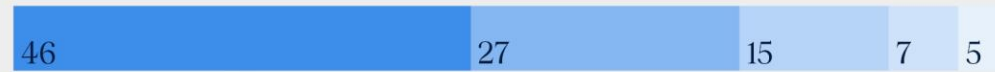https://businessclimatehub.uk/

Key Findings: Benefits

KEY

- ● Significant benefit
- ● Moderate benefit
- ● Minor benefit
- ○ No benefit
- ○ Not applicable

Benefits of Net Zero*

Contributing to tackling climate change (%)

| 46 | 27 | 15 | 7 | 5 |

Organisational reputation / public opinion (%)

| 45 | 31 | 14 | 6 | 4 |

Demonstrating industry leadership (%)*

| 42 | 30 | 15 | 8 | 4 |

Regulatory compliance (%)*

| 41 | 30 | 15 | 9 | 6 |

Competitive advantage (%)

| 38 | 30 | 17 | 10 | 5 |

Long term resilience to market changes (%)

| 37 | 32 | 17 | 10 | 4 |

New customer / business development (%)*

| 37 | 32 | 18 | 9 | 3 |
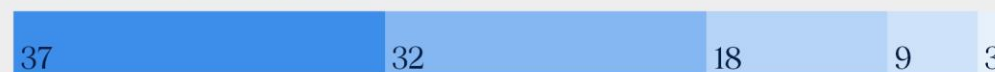
Customer retention (%)*

| 36 | 31 | 19 | 10 | 3 |
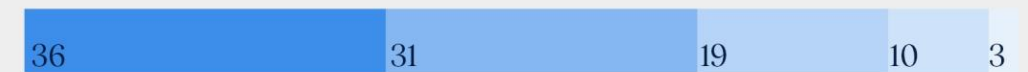
Attracting investment / finance (%)

| 31 | 31 | 18 | 10 | 10 |

Cost savings (%)*

| 29 | 34 | 20 | 16 | 2 |

Business / process efficiencies (%)

| 29 | 35 | 21 | 13 | 2 |

Staff recruitment (%)

| 25 | 34 | 22 | 17 | 3 |

Staff retention (%)

| 25 | 33 | 23 | 17 | 3 |

*Some percentages may not total exactly 100% due to rounding effects

IEMA Transforming the world to sustainability

https://businessclimatehub.uk/

Key Findings: Barriers

6

Barriers to progressing on net zero are varied:

High cost was the most common barrier cited by respondents, with 59% saying it was a moderate or significant barrier.

Other key barriers included regulatory uncertainty (50%), and a lack of trusted information sources (46%). Further insights highlight the need for tailored support and clear government policies to help organisations of all sizes advance their net zero commitments.

For example, SMEs were more likely than large organisations to report lack of time, expertise, regulatory certainty and not knowing where to start as 'moderate' or 'significant' barriers to progressing with net zero.
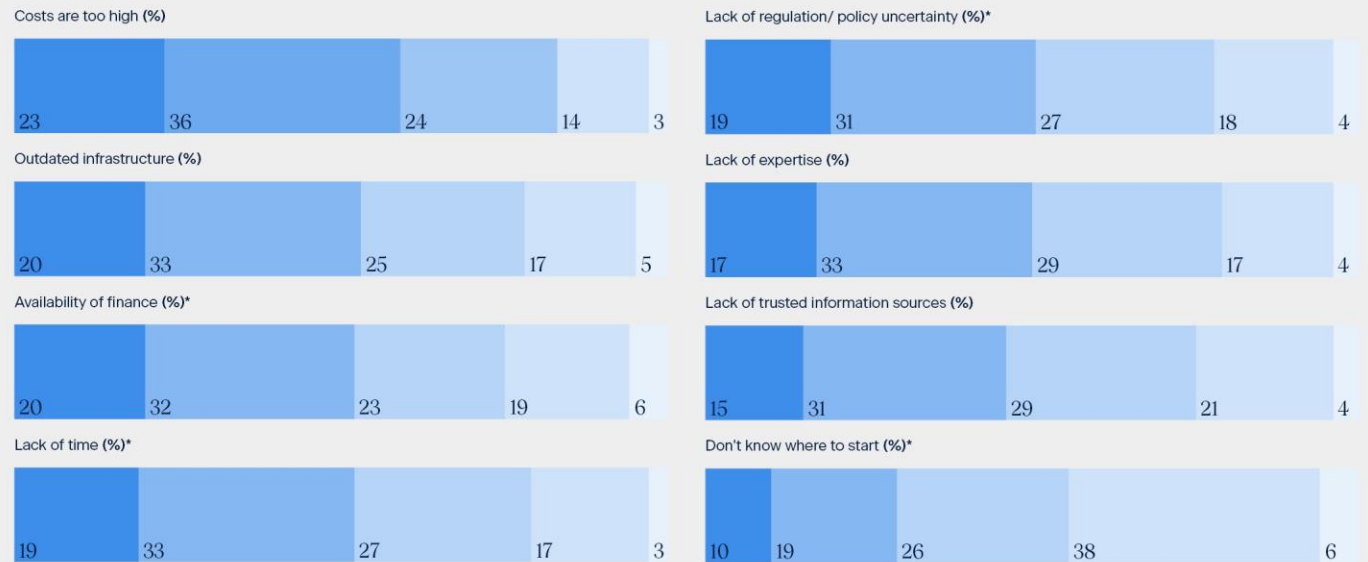
Conversely, large organisations were more likely than SMEs to struggle with outdated infrastructure.

KEY

- ● Significant barrier
- ● Moderate barrier
- ● Minor barrier
- ○ Not a barrier
- ○ Not applicable

*Some percentages may not total exactly 100% due to rounding effects

Barriers to Net Zero*

Costs are too high (%)
| 23 | 36 | 24 | 14 | 3 |

Lack of regulation/ policy uncertainty (%)*
| 19 | 31 | 27 | 18 | 4 |

Outdated infrastructure (%)
| 20 | 33 | 25 | 17 | 5 |

Lack of expertise (%)
| 17 | 33 | 29 | 17 | 4 |

Availability of finance (%)*
| 20 | 32 | 23 | 19 | 6 |

Lack of trusted information sources (%)
| 15 | 31 | 29 | 21 | 4 |

Lack of time (%)*
| 19 | 33 | 27 | 17 | 3 |

Don't know where to start (%)*
| 10 | 19 | 26 | 38 | 6 |

https://businessclimatehub.uk/

Key Findings: Barriers

6

Barriers to progressing on net zero are varied:

High cost was the most common barrier cited by respondents, with 59% saying it was a moderate or significant barrier.

Other key barriers included regulatory uncertainty (50%), and a lack of trusted information sources (46%). Further insights highlight the need for tailored support and clear government policies to help organisations of all sizes advance their net zero commitments.

For example, SMEs were more likely than large organisations to report lack of time, expertise, regulatory certainty and not knowing where to start as 'moderate' or 'significant' barriers to progressing with net zero.
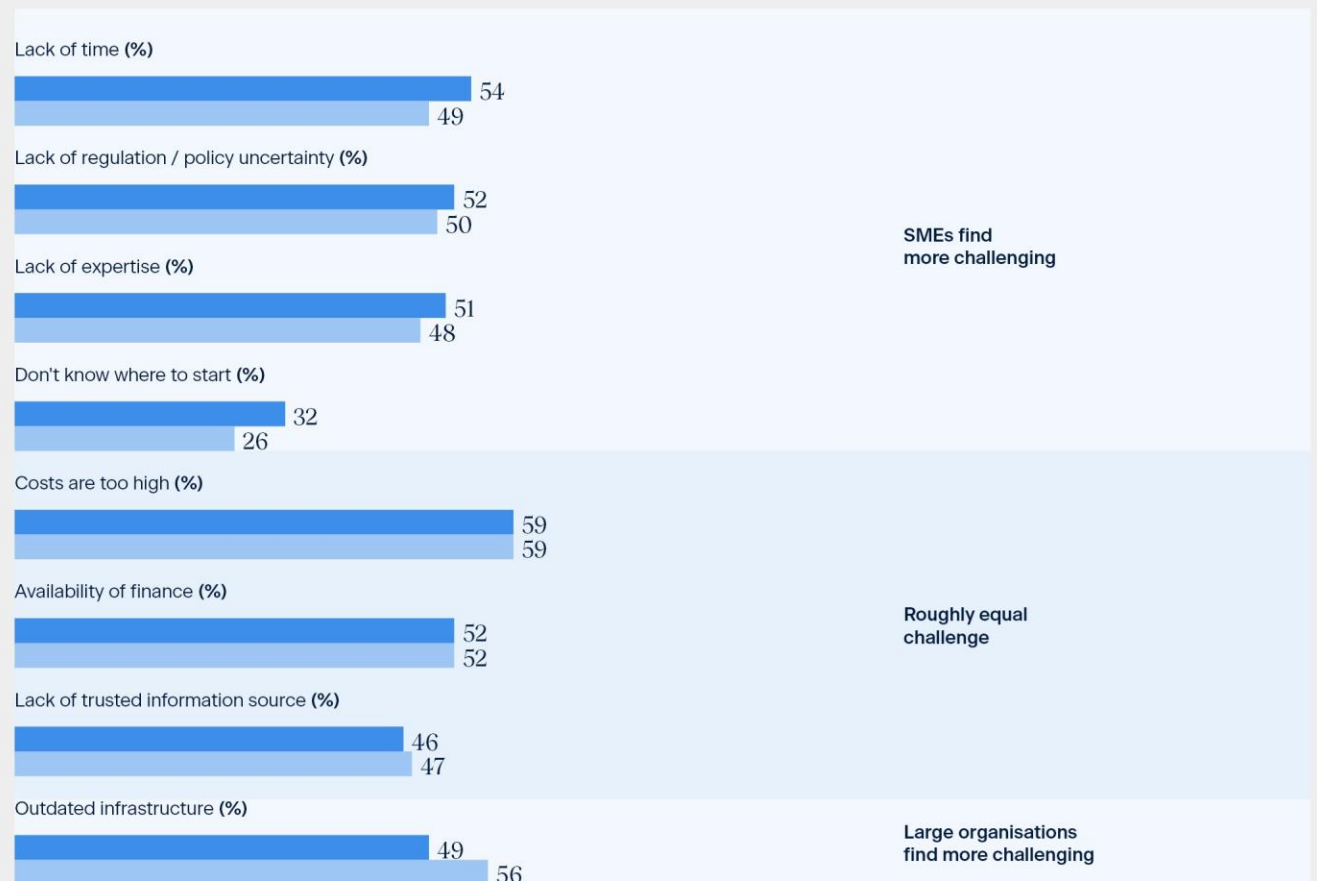
Conversely, large organisations were more likely than SMEs to struggle with outdated infrastructure.

KEY

- SMEs <250 employees
- Large organisations 250+ employees

*Some percentages may not total exactly 100% due to rounding effects

SMEs versus large organisations barriers report as 'moderate' or 'significant'*

Lack of time (%)
- SMEs: 54
- Large: 49

Lack of regulation / policy uncertainty (%)
- SMEs: 52
- Large: 50

Lack of expertise (%)
- SMEs: 51
- Large: 48

Don't know where to start (%)
- SMEs: 32
- Large: 26

SMEs find more challenging

Costs are too high (%)
- SMEs: 59
- Large: 59

Availability of finance (%)
- SMEs: 52
- Large: 52

Roughly equal challenge

Lack of trusted information source (%)
- SMEs: 46
- Large: 47

Outdated infrastructure (%)
- SMEs: 49
- Large: 56

Large organisations find more challenging

IEMA
Transforming the world to sustainability

https://businessclimatehub.uk/

Key Findings: Types of support being accessed

(7)

Education is essential and sustainability professionals have a role to play:

Organisations with a dedicated sustainability professional were 17% more likely to have set a net zero target, and to have realistic timelines for achieving these goals.

Notably, 5% of respondents in a non-sustainability role indicated that their organisation's net zero target was 2024 or earlier, and 31% that they would achieve net zero by 2029. On the other hand, zero sustainability professionals listed a <2024 target and only 2% had targets aiming to achieve net zero by 2029, which suggests that they better understand the scale and complexity of the challenge. This underscores the critical role of sustainability professionals and highlights the need for comprehensive organisation-wide education on what achieving net zero entails.

Types of support already accessed by organisations

31% Education and training	**14%** Trade association guidance	
30% UK Business Climate Hub website	**12%** Tax credit(s)	
26% Government-backed services and support	**11%** Loan	
25% Grants and fundings	**1%** Others	
18% Race to Zero campaign	**29%** None (government / industry / financial)	

https://businessclimatehub.uk/
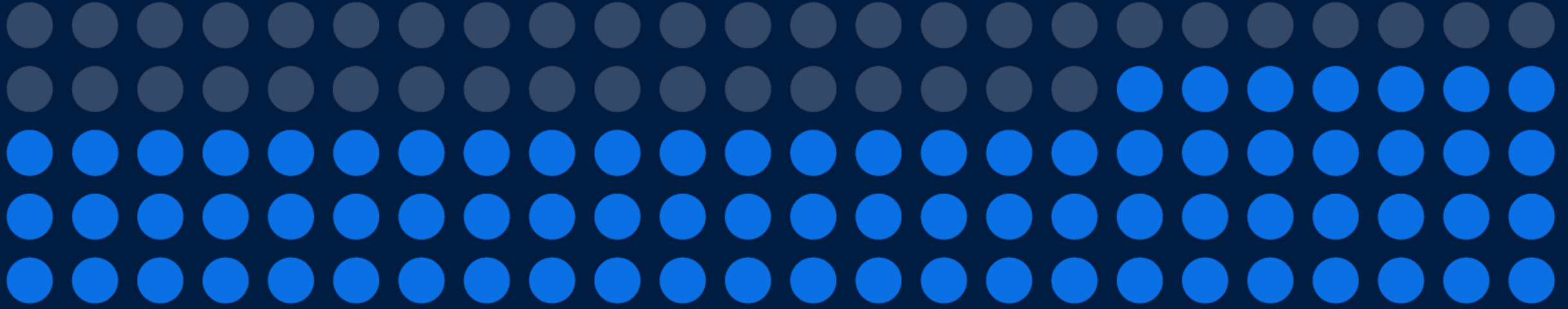
UK Net Zero Census Report Launch

18th September 2024

businessclimatehub.uk/census

UK BUSINESS CLIMATE HUB

IN PARTNERSHIP WITH

PlanetMark

- IEMA are attending both the COP16 Biodiversity Summit in Colombia and the COP29 Climate Summit in Azerbaijan.

- Our #GreenSkillsAtCOP campaign is urging world leaders to prioritise investment in the Green Skills needed to tackle biodiversity loss & climate change.

- Visit the website below to sign-up and show your (and ideally your organisations) support.

Martin Baxter

Deputy CEO

m.baxter@iema.net

 @mbaxteriema

www.iema.net/all-jobs-greener

IEMA Transforming the world to sustainability